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Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR
 Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

**NOTICE OF HEARING OF MOTION
 FOR ORDER SCHEDULING AN
 AUCTION FOR THE SALE OF CERTAIN
 ASSETS, APPOINTING SPCP GROUP,
 LLC, AS LEAD BIDDER, AND
 APPROVING BID PROCEDURES AND
 PROTECTIONS
 (AFFECTS ALL DEBTORS)**

Date: October 19, 2006
 Time: 9:30 a.m.

NOTICE IS HEREBY GIVEN that a Motion For Order Scheduling An Auction For The Sale of Certain Assets, Appointing SPCP Group, LLC, As Lead Bidder, And Approving Bid Procedures And Protections (the "Motion") was filed by Schwartzer & McPherson Law Firm, attorneys for USA Commercial Mortgage Company, USA Securities, LLC, USA Capital Realty

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Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust Deed Fund, LLC, the Debtors and Debtors-in-Possession (collectively, the “Debtors”). The Debtors request that the Court set a hearing for October 19, 2006 (or no later than October 26, 2006 in any event) and enter an order granting the Motion and:

1. Approving the Bid Procedures (attached to the Motion as Exhibit A) and thereby authorizing the Debtors, among other things, to: (i) establish minimum qualifications for potential bidders to participate in an auction process for the sale of USA Capital First Trust Deed Fund’s (“FTD Fund”) ownership interest as a direct lender in 47 specifically identified loans, for a proposed purchase price of \$46.5 million, subject to certain adjustments and conditions as stated in the Offer Letter (which is attached as Exhibit B to the Motion), and USA Commercial Mortgage’s servicing rights in 80 specifically identified loans, including rights to collect servicing fees and other fees as specified in the Offer Letter, for a proposed purchase price of one-half of the first \$1 million in servicing fees to be collected by the purchaser, as well as certain upside sharing and other consideration, as more specifically described in the Offer Letter (the “Property”), (ii) conduct an in-Court auction to obtain the highest and best offer for the Property, and (iii) determine, along with the Official Committee of Unsecured Creditors of USA Commercial Mortgage and the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC, the highest and otherwise best bid for the Property (the “Successful Bid”).

2. Approving SPCP Group, LLC as the “stalking horse” bidder for the Property, and authorizing the Debtors to pay to the SPCP Group, LLC: (i) a break-up fee in the amount of \$1.5 million (the “Break-Up Fee”), payable under certain circumstances as more particularly detailed in the Offer Letter and summarized in the Motion, which Break-Up Fee shall be reduced by the amount of the Expense Reimbursement (see as follows) actually paid to the SPCP Group, LLC, and (ii) an expense reimbursement which shall be limited to a maximum amount of actual and reasonable expenses incurred by SPCP Group, LLC not to exceed \$500,000 (the “Expense Reimbursement”), payable under certain circumstances as more particularly detailed in the Offer Letter.

3. Scheduling an auction (the “Auction”) in accordance with the Bid Procedures in order to identify the “Successful Bid” and the “Next Highest Bid” (as defined in the Bid Procedures) for the Property and approving the form of sale notice for the Auction.

Any Opposition must be filed pursuant to Local Rule 9014(d)(1).

Local Rule 9014(d)(1): “Oppositions to a motion must be filed and service must be completed on the movant no later than fifteen (15) days after the motion is served except as provided by LR 3007(b) and LR 9006. If the hearing has been set on less than fifteen (15) days’ notice, the opposition must be filed no later than five (5) business days before the hearing, unless the court orders otherwise. The opposition must set forth all relevant facts and any relevant legal authority. An opposition must be supported by affidavits or declarations that conform to the provisions of subsection (c) of this rule.”

1 If you object to the relief requested, you *must* file a WRITTEN response to this pleading
2 with the court. You *must* also serve your written response on the person who sent you this notice.

3 If you do not file a written response with the court, or if you do not serve your written
4 response on the person who sent you this notice, then:

- 5 • The court may *refuse to allow you to speak* at the scheduled hearing; and
- 6 • The court may *rule against you* without formally calling the matter at the
7 hearing.

8 A copy of the Motion may be obtained by accessing BMC Group, Inc.'s website at
9 www.bmcgroup.com/usacmc, by accessing PACER through the United States Bankruptcy Court
10 website for Nevada at www.nvb.uscourts.gov, by contacting BMC Group at telephone: (888) 909-
11 0100, or by contacting the office of the Debtor's counsel, Ray Quinney & Nebeker P.C.,
12 telephone: (801) 532-1500 or fax: (801) 532-7543.

13 NOTICE IS FURTHER GIVEN that the hearing on the Motion may be continued without
14 further notice.

15 NOTICE IS FURTHER GIVEN that the hearing on the Motion will be held before a
16 United States Bankruptcy Judge, in the Foley Federal Building, 300 Las Vegas Boulevard South,
17 3rd Floor, Las Vegas, Nevada on October 19, 2006 at 9:30 a.m.

18 DATED: September 26, 2006

19 /s/ Jeanette E. McPherson

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